EXHIBIT 7

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High hog production costs lead to loss at Smithfield

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By

Staff (/authors/1-staff)

SMITHFIELD, VA. — Calling fiscal 2009 "one of the most challenging years in over three decades for the company," Larry Pope, president and chief executive officer of Smithfield Foods, Inc., announced the company incurred a loss of $190.3 million for fiscal year 2009 ended May 3. Smithfield Foods recorded net income of $128.9 million, equal to $1.04 per share on the common stock, during the same period of fiscal 2008.

"We faced grain and oil markets that reached record highs and then fell precipitously," Mr. Pope said. "These input dynamics, combined with an oversupply of all proteins as well as a worldwide recession and credit constraints, put significant pressure on the business."

Sales during fiscal year 2009 were $12,487.7 million compared with $11,351.2 million for the same period during fiscal 2008.

Smithfield's Pork division, which includes its domestic meat and poultry processing operations, had an operating income of $395.2 million during fiscal 2009 on sales of $10,450.9 million. The results were offset by $88.2 million of restructuring charges and weaker fresh pork margins, according to the company. Division operating income during fiscal 2008 was $449.4 million on sales of $9,627.5 million.

The Hog Production division suffered a loss of $521.2 million during the year on sales of $2,750.9 million. Smithfield said the Hog Production segment suffered "historic losses" due to higher feed costs. Domestic raising costs increased to $62 per cwt versus $50 per cwt in the prior year as the cost of feed and feed ingredients increased $527 million, or 36%, compared with the prior year. During fiscal 2008 the Hog Production business unit recorded a loss of $98.1 million on sales of $2,399.3 million.

"While the meat business looks very good, we are concerned about our hog production business as it deals with an oversupply of live hogs and the unintended consequences of the current ethanol policy," Mr. Pope said.

The International division had an operating income of $34.9 million during the year on sales of $1,398.2 million. The results compared unfavorably to the operating income of $76.9 million the company reported on sales of $1,224.5 million. The decline in operating income occurred because Campofrio/Groupe Smithfield earnings were well below a year ago as the worldwide recession negatively impacted demand in Western Europe, the company said. Results in Poland dropped due to currency losses that offset cost reductions and a 15% increase in packaged meats volume.

"As we move into fiscal 2010, our highest priority is on continuing the restructuring of the Pork Group, continuing to reduce debt, improving liquidity and strengthening the balance sheet," Mr. Pope said. "I strongly believe that the hog production industry has reached an inflection point where, due to deep and extended losses, liquidation is now a recognized reality by all in the industry. To date, Smithfield already has reduced the size of its U.S. herd by two million market hogs annually, and we are initiating a further reduction of 3% of our U.S. sow herd, effective immediately. This reduction, combined with the additional cuts by our fellow producers should shrink supply to a point where the industry can return to profitability. This liquidation is long overdue."

For the fourth quarter of fiscal 2009, Smithfield Foods incurred a loss of $78.8 million. For the same period during fiscal 2008, the company earned $2.4 million, equal to 1c per share. Sales for the quarter were $2,850.6 million compared with $2,868.4 million during the fourth quarter of 2008.

Mr. Pope said the emergence of the (A) H1N1 virus has had an impact on the company that is carrying over into the first quarter of fiscal 2010.

"As the consumer received more accurate information about the virus, we saw domestic market conditions begin to move back to more normal levels," he said. "Unfortunately, we continue to experience restrictions in some international markets, specifically China, which is negatively impacting exports in the first quarter of fiscal 2010."

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